

Dear Dr Thomson, thank you for your email and for the invitation to submit comments on these Bills.

Before my comments, I must point out that I have a fundamental disagreement with the protectionism embodied in both the current and proposed legislation, which is clearly against the Govt. tenet of free trade and results in Australian consumers paying more for vehicles than they should. This only benefits dealers and car manufacturers through higher profits, NOT the consumer, road safety or the environment which have been used as convenient arguments to maintain import restrictions for over 20 years.

The market should be completely open in terms of vehicles allowed for import, with a focus instead on strict regulations controlling vehicle quality, safety, environmental criteria, independent verification, and publicly available condition and km information searchable online through standard pre-purchase check. The type of vehicles imported would then be self-regulated by market forces and a larger and more professional industry could be maintained which in turn would support the cost of proper Govt. controls and after-sales consumer services with better economies of scale.

The removal last year of direct import of new vehicles from the proposed changes is also a great opportunity lost for all Australians, and is instead a win for the big end of town with their well-paid lobbyists.

Notwithstanding that, focusing on these imperfect Bills as they stand there are several issues of concern with the proposed rules and CRIS that I wish to bring to your attention. In particular, the high application / review fees and renewal frequency should be reduced / removed, with cost recovery instead from the end user through the Import Approval / other means. Under the proposed plan, applicants themselves will be financially penalised while others will benefit at no cost – the industry cannot effectively operate this way.

Application processes as well as costs and where they are charged in the scheme need to be reviewed so it can work.

For example, even if annual operating costs of \$5M were entirely recovered from import approvals on 10,000 vehicles, that is only \$500 per vehicle would be fairly charged on the end user pro rata. If the front end costs for administering model addition / changes were nil / minimal, this cost per vehicle would be very acceptable. The fee could be annually adjusted based on import numbers and system costs. Other costs would be recoverable from annual registration fees for AVVs<sup>™</sup> and RAVs<sup>™</sup>.

I submit the following specific points for your consideration, thank you.

**Section 131 from the Rules – reapplication for a road vehicle on the SEVS Register:**

*Expiry of entries on the SEVS Register. If the Secretary enters a variant of a model, or a make and model, of a road vehicle on the SEVS Register, the entry expires at the end of the period of 2 years starting on the day the entry is made. Note: After expiry, the variant of the model, or the make and model, of the road vehicle may be re-entered on the SEVS Register by making a new application under section 114.*

The re-application costs are much too high for a 2 year renewal period and would be an unreasonable impost on small businesses, particularly if each individual model variant must be

applied for separately and the re-applicant must cover the cost while others benefit for free. The scheme cannot operate cost effectively for the industry on this basis.

**Suggestions:** 2 year renewal period for environmental category only (where efficiency standards may change more frequently). 5 year renewal period for all other categories. \$0 re-application fee. Multiple variants of a model should be allowed on the same re-application. Any additional costs to be recovered from elsewhere to share the cost fairly over those benefiting from the approval, e.g. cost of model report / import approval.

### **Section 117 from the Rules:**

*(1) The Secretary may enter a variant of a model of a road vehicle on the SEVs Register if: (a) the variant of the model of road vehicle:*

*(i) has not been provided in Australia, at any time, under a road vehicle type approval*

This is a step backwards from the current scheme. It is also unreasonable to continue excluding a model for import when it is no longer sold here new.

**Suggestion:** Change this clause to read: “(i) it is not currently provided in Australia under a road vehicle type approval”

### **Under the CRIS:**

- 🕒 ■ *Non-IWVTA type approval “the proposed application fee is estimated to be between \$1,750 and \$2,000.*
- 🕒 ■ *IWVTA type approval “the proposed application fee is estimated to be between \$700 and \$850.*
- 🕒 ■ *The proposed application fee for entry of a road vehicle on the SEVs Register is estimated to be between \$680 and \$800.*

The proposed costs are too high, are not fair to applicants, would be an unreasonable impost on small businesses, as well as an impediment to adding new models to the SEVS list, considering that:

- 1) Initial evaluation against the eligibility criteria should be relatively simple and quick
- 2) The first applicant would bear all the cost, without being able to recover that from others who later benefit from the application
- 3) Enthusiasts / members of the public would be discouraged from applying
- 4) Rare vehicles with limited numbers may not be financially viable to apply for despite meeting the eligibility criteria

**Suggestions:** Application fee of \$0 - \$100. Any additional costs to be recovered from elsewhere to share the cost fairly over those benefiting from the approval, e.g. cost of model report / import approval. Multiple variants of a model should be allowed on the same application.

Regards

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